

September 9, 2015

Item No. 9

AUTHORIZATION FOR THE CHA TO AWARD CONTRACTS FOR ALL-RISK PROPERTY, EXCESS LIABILITY, AUTO LIABILITY, GENERAL LIABILITY, PUBLIC OFFICIALS LIABILITY, EMPLOYED LAWYERS ERRORS & OMISSIONS, FIDUCIARY LIABILITY, CRIME AND EMPLOYMENT PRACTICES LIABILITY INSURANCE COVERAGE

To the Honorable Board of Commissioners:

RECOMMENDATION

It is recommended that the Board of Commissioners authorize the Chief Executive Officer or his designee to purchase the following insurance coverage for the CHA for the period of October 1, 2015 through September 30, 2016, for an aggregate amount not-to-exceed \$1,097,469, through its insurance broker of record, AON Risk Services Central, Inc. ("AON"): (1) All-Risk Property written through Lexington, in the amount not-to-exceed \$762,820; (2) Excess Liability coverage written through Allied World Assurance Company (AWAC) in an amount not-to-exceed \$50,000; 3) Auto Liability written through Housing Authority Insurance Group (HAIG) in an amount not-to-exceed \$35,584; (4) General Liability coverages written through RSUI in an amount not-to-exceed \$31,453; (5) Public Officials E&O written through Ironshore for \$103,600 and Ace for \$57,168 in an aggregate amount not-to-exceed \$160,768; (6) Fiduciary written through National Union in an amount not to exceed \$15,879; (7) Employed Lawyers Errors and Omissions Liability written through Chartis / Illinois National in an amount not-to-exceed \$11,800; (8) Crime written through Berkley Regional in an amount not-to exceed \$9,015; and (9) Employment Practices Liability written through Chartis / National Union in an amount not-to-exceed \$20,150.

The Executive Vice President (EVP) of Finance, the Office of the General Counsel and the Office of Procurement have completed all necessary due diligence to support the submission of this procurement and recommend the approval of this item accordingly.

CORPORATE GOAL

The CHA must protect its assets by annually evaluating its insurance needs and procuring appropriate insurance coverage to protect its assets, financial interests and make it more fiscally sound.

FUNDING: General Fund

SOLICITATION SUMMARY

Vendors: Lexington, AWAC, HAIG, RSUI, Ironshore, Ace, National Union, Illinois National, and Berkley; via Aon Risk Services Central, Inc.

200 East Randolph Street

Chicago, IL 60601

Contract Type: Insurance Coverages

Contract Amount: \$1,097,469

Contract Period: October 1, 2015 – September 30, 2016

M/W/DBE Participation:

Waiver: Yes

Section 3:

NA - Supply & Delivery

GENERAL BACKGROUND

Aon directly and indirectly (through one wholesaler) solicited requests for insurance premium quotes from 32 carriers (most with the ability to quote multiple lines of coverage) on July 1, 2015. After reviewing the responses, AON and CHA's Risk Management Department recommend that the above mentioned insurers provide the required insurance coverage for CHA for the Period October 1, 2015 through September 30, 2016.

The Board action recommended in this item complies in all material respects with all applicable Chicago Housing Authority board policies and applicable federal (HUD) procurement laws.

The EVP of Finance concurs with the recommendation to purchase insurance coverage through its Broker of Record with the same policy limits and retention levels for all lines as in the prior year's program.

The CEO/President recommends the approval to execute contracts for insurance coverage for the CHA, for the period of October 1, 2015 through September 30, 2016, for an aggregate amount not-to-exceed \$1,097,469 through its insurance broker of record, AON Risk Services Central, Inc.

RESOLUTION NO. 2015-CHA-87

WHEREAS, The Board of Commissioners has reviewed the memorandum dated September 9, 2015 entitled "AUTHORIZATION FOR THE CHA TO AWARD CONTRACTS FOR ALL-RISK PROPERTY, EXCESS LIABILITY, AUTO LIABILITY, GENERAL LIABILITY, PUBLIC OFFICIALS LIABILITY, FIDUCIARY LIABILITY, EMPLOYED LAWYERS ERRORS & OMISSIONS, CRIME AND EMPLOYMENT PRACTICES LIABILITY INSURANCE COVERAGE";

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT It is recommended that the Board of Commissioners authorize the Chief Executive Officer or his designee to purchase the following insurance coverage for the CHA for the period of October 1, 2015 through September 30, 2016, for an aggregate amount not-to-exceed \$1,097,469 through its insurance broker of record, AON Risk Services Central, Inc. ("AON"): (1) All-Risk Property written through Lexington, in the amount not-to-exceed \$762,820; (2) Excess Liability coverage written through Allied World Assurance Company (AWAC) in an amount not-to-exceed \$50,000; 3) Auto Liability written through Housing Authority Insurance Group (HAIG) in an amount not-to-exceed \$35,584; (4) General Liability coverages written through RSUI in an amount not-to-exceed \$31,453; (5) Public Officials E&O written through Ironshore for \$103,600 and Ace for \$57,168 in an aggregate amount not-to-exceed \$160,768; (6) Fiduciary written through National Union in an amount not to exceed \$15,879; (7) Employed Lawyers Errors and Omissions Liability written through Chartis / Illinois National in an amount not-to-exceed \$11,800; (8) Crime written through Berkley Regional in an amount not-to exceed \$9,015; and (9) Employment Practices Liability written through Chartis / National Union in an amount not-to-exceed \$20,150.



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